

# Quarterly rpt on consolidated results for the financial period ended 30 Jun 2022

## IHH HEALTHCARE BERHAD

Financial Year End 31 Dec 2022

Quarter 2 Qtr

Quarterly report for the financial period ended 30 Jun 2022

The figures have not been audited

### Attachments

[IHH\\_Q2 2022 Quarterly Report.pdf](#)  
460.0 kB

[IHH Q2 2022 Press Release \(25.08.2022\).pdf](#)  
1.0 MB

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

### SUMMARY OF KEY FINANCIAL INFORMATION 30 Jun 2022

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	4,373,570	4,270,271	8,536,628	8,216,051
2 Profit/(loss) before tax	878,509	668,463	1,499,657	1,254,960
3 Profit/(loss) for the period	734,369	546,084	1,304,429	978,971
4 Profit/(loss) attributable to ordinary equity holders of the parent	612,104	483,306	1,105,363	858,927
5 Basic earnings/(loss) per share (Subunit)	6.69	5.26	12.05	9.29
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	

7	Net assets per share attributable to ordinary equity holders of the parent (\$\$)	2.9100	2.5500
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Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

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### Announcement Info

**Company Name** IHH HEALTHCARE BERHAD

**Stock Name** IHH

**Date Announced** 25 Aug 2022

**Category** Financial Results

**Reference Number** FRA-25082022-00110



**IHH Healthcare Berhad**

**IHH HEALTHCARE BERHAD**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**  
30 JUNE 2022

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

	Note	2nd quarter ended			Financial period ended		
		30 Jun 2022 RM'000	30 Jun 2021 RM'000	Variance %	30 Jun 2022 RM'000	30 Jun 2021 RM'000	Variance %
<b>Revenue</b>	1	4,373,570	4,270,271	2%	8,536,628	8,216,051	4%
Other operating income	2	116,385	306,012	-62%	215,853	401,201	-46%
Inventories and consumables		(963,665)	(921,010)	-5%	(1,825,862)	(1,739,242)	-5%
Purchased and contracted services		(417,983)	(364,415)	-15%	(796,935)	(720,351)	-11%
Staff costs	3	(1,536,143)	(1,502,748)	-2%	(3,043,260)	(2,944,227)	-3%
Depreciation and impairment of property, plant and equipment	4	(268,552)	(382,340)	30%	(491,096)	(619,501)	21%
Depreciation of right-of-use ("ROU") assets		(100,797)	(78,607)	-28%	(177,869)	(155,153)	-15%
Amortisation of intangible assets		(12,989)	(11,747)	-11%	(23,228)	(24,167)	4%
Operating lease expenses		(21,779)	(20,172)	-8%	(41,844)	(37,592)	-11%
Other operating expenses	5	(537,212)	(476,904)	-13%	(1,032,503)	(920,450)	-12%
Finance income	6	125,595	13,039	NM	175,828	188,949	-7%
Finance costs	6	(185,185)	(172,715)	-7%	(311,749)	(416,934)	25%
Net monetary gain from hyperinflationary economies		295,542	-	-	295,542	-	-
Share of profits of associates (net of tax)		11,054	10,930	1%	18,914	18,331	3%
Share of profits/(losses) of joint ventures (net of tax)	7	668	(1,131)	159%	1,238	8,045	-85%
<b>Profit before tax</b>		<b>878,509</b>	<b>668,463</b>	<b>31%</b>	<b>1,499,657</b>	<b>1,254,960</b>	<b>19%</b>
Income tax expense	8	(144,140)	(122,379)	-18%	(195,228)	(275,989)	29%
<b>Profit for the period</b>		<b>734,369</b>	<b>546,084</b>	<b>34%</b>	<b>1,304,429</b>	<b>978,971</b>	<b>33%</b>
<b>Other comprehensive income, net of tax</b>							
<b>Items that are or may be reclassified subsequently to profit or loss</b>							
Foreign currency translation differences from foreign operations	9	321,037	(106,647)	NM	104,379	(21,804)	NM
Realisation of FCTR <sup>1</sup> upon disposal of a joint venture		-	22,148	-100%	-	22,148	-100%
Hyperinflationary restatement of non-monetary assets at 1 January 2022	10	623,315	-	-	623,315	-	-
Hedge of net investments in foreign operations	9	166,676	(5,523)	NM	297,149	39,270	NM
Cash flow hedge		4,007	595	NM	11,913	8,426	41%
Cost of hedging reserve		15	(1,483)	101%	786	370	112%
		1,115,050	(90,910)	NM	1,037,542	48,410	NM
<b>Items that will not be reclassified subsequently to profit or loss</b>							
Remeasurement of defined benefit liabilities		1,620	(986)	NM	2,902	1,159	150%
<b>Total comprehensive income for the period</b>		<b>1,851,039</b>	<b>454,188</b>	<b>NM</b>	<b>2,344,873</b>	<b>1,028,540</b>	<b>128%</b>

NM: Not meaningful

Note:

1. Foreign currency translation reserve

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

Note	2nd quarter ended			Financial period ended		
	30 Jun 2022	30 Jun 2021	Variance	30 Jun 2022	30 Jun 2021	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Profit attributable to:</b>						
	612,104	483,306	27%	1,105,363	858,927	29%
	122,265	62,778	95%	199,066	120,044	66%
<b>Profit for the period</b>	<b>734,369</b>	<b>546,084</b>	<b>34%</b>	<b>1,304,429</b>	<b>978,971</b>	<b>33%</b>
<b>Total comprehensive income attributable to:</b>						
	1,697,900	437,218	NM	2,164,787	904,768	139%
	153,139	16,970	NM	180,086	123,772	45%
<b>Total comprehensive income for the period</b>	<b>1,851,039</b>	<b>454,188</b>	<b>NM</b>	<b>2,344,873</b>	<b>1,028,540</b>	<b>128%</b>
<b>Earnings per share (sen)</b>						
Basic	6.69	5.26	27%	12.05	9.29	30%
Diluted	6.69	5.26	27%	12.04	9.29	30%

NM: Not meaningful

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

**SUPPLEMENTARY INFORMATION**

	Note	2nd quarter ended			Financial period ended		
		30 Jun 2022	30 Jun 2021	Variance	30 Jun 2022	30 Jun 2021	Variance
		RM'000	RM'000	%	RM'000	RM'000	%
<b>Profit attributable to owners of the Company, excluding EI<sup>viii</sup></b>		<b>317,466</b>	<b>463,584</b>	<b>-32%</b>	<b>724,889</b>	<b>799,410</b>	<b>-9%</b>
<b>Add/(Less): Exceptional items ("EI")</b>							
Remeasurement to fair value of interest in a joint venture <sup>i</sup>	2	-	85,768		-	85,768	
Gain on disposal of a joint venture <sup>ii</sup>	2	-	139,053		-	139,053	
Impairment of assets reversed/(made) <sup>iii</sup>	4,5	11,825	(189,998)		16,227	(189,998)	
Deferred tax benefits <sup>iv</sup>	8	51,571	-		152,708	-	
Change in fair value of cross currency swaps <sup>v</sup>	6	31,078	(910)		49,779	154,983	
Exchange loss on net borrowings <sup>vi</sup>	6	(64,801)	(58,724)		(94,388)	(157,928)	
Net monetary gain from hyperinflationary economies <sup>vii</sup>		295,542	-		295,542	-	
		<u>325,215</u>	<u>(24,811)</u>		<u>419,868</u>	<u>31,878</u>	
Less: Tax effects on EI		7,538	14,909		10,260	2,437	
Less: Non-controlling interests' share of EI		(38,115)	29,624		(49,654)	25,202	
		<u>294,638</u>	<u>19,722</u>		<u>380,474</u>	<u>59,517</u>	
<b>Profit attributable to owners of the Company</b>		<b><u>612,104</u></b>	<b><u>483,306</u></b>	<b>27%</b>	<b><u>1,105,363</u></b>	<b><u>858,927</u></b>	<b>29%</b>
<b>Earnings per share, excluding EI<sup>viii</sup> (sen)</b>							
Basic		3.34	5.03	-34%	7.72	8.61	-10%
Diluted		3.34	5.03	-34%	7.72	8.61	-10%

Note:

"Acibadem Holdings" as referred to throughout this financial report includes the wholly-owned Integrated Healthcare Turkey Yatirimlari Limited Group, which owns approximately 90% interest in Acibadem Sağlık Yatirimlari Holding A.Ş. Group.

- i. Remeasurement to fair value of interests in DDRC SRL Diagnostics Private Limited ("DDRC SRL"), upon acquisition of controlling interest in DDRC SRL
- ii. Disposal of a joint venture – Apollo Gleneagles Hospital Ltd, net of realisation of FCTR of RM22.1 million loss
- iii. Reversal of impairment of assets of Gleneagles Chengdu Hospital ("GCD") (the Group's hospital that was operational in late 2019 whose ramp up was longer than expected and was hampered by the COVID-19 pandemic) upon receipt of recoverables (2021: Impairment of assets of GCD and Andaman Alliance Healthcare Limited (the Group's greenfield hospital project in Myanmar which has stalled))
- iv. Deferred tax assets arising from the indexation of property, plant and equipment in the local tax books, as allowed by the Turkey government to cushion the effects of higher inflation.
- v. Change in fair value of cross-currency swaps which were entered to hedge a portion of Acibadem Holdings' foreign currency denominated borrowings
- vi. Exchange differences arising from foreign currency denominated borrowings/payables net of foreign currency denominated cash/receivables, recognised by Acibadem Holdings (As at 30 June 2022, Euro/TL=17.3701)
- vii. Net increase in purchasing power from the net monetary position of the Group's operations in Turkey, upon the application of MFRS 129, *Financial Reporting in Hyperinflationary Economies* (refer to Section A1(b)(ii) and Section A4).
- viii. Exceptional items, net of tax and non-controlling interests

The unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the 2021 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

## EXPLANATORY NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The Group's reported results were impacted by the relative movements in Ringgit Malaysia ("RM") against the exchange rates of the countries that the Group operates in. The RM weakened against Singapore Dollars ("SGD") and strengthened against Turkish Lira ("TL") in the current quarter and period as compared to the corresponding period last year.

In addition, the Group's reported results for QTD 2022 and YTD 2022 included the application to the Group's entities in Turkey of MFRS 129, *Financial Reporting in Hyperinflationary Economies* ("MFRS 129"), as detailed in Section A1(b)(i) and Section A4.

Refer to Section B1 for performance review of the Group's major operating segments.

1. QTD 2022 and YTD 2022 revenues were higher as compared to last year due to the recovery from core non-COVID-19 revenues as both local and foreign patients returned to seek treatment at the Group's hospitals. The continuous ramp-up of operations at GHK Hospital, as well as the acquisitions of DDRC SRL Diagnostics Private Limited ("DDRC SRL") on 5 April 2021, and General Hospital Acibadem Bel Medic ("Bel Medic") on 20 July 2021 also contributed to the increase.

These were partially offset by lower contribution from COVID-19 related-services rendered in QTD 2022 and YTD 2022, as well as the effects from disposal of Continental Hospitals Private Limited ("Continental Hospitals") on 14 December 2021, temporary closure of all clinics in China from March to May 2022 imposed as a result of spike in COVID-19 cases in Shanghai and the weakening TL on the Group's revenue from its operations in Turkey.

2. QTD 2021 and YTD 2021 other operating income included gain on disposal of Apollo Gleneagles Hospital Ltd (a joint venture) of RM139.1 million, and remeasurement to fair value of interest in DDRC SRL of RM85.8 million. Excluding these, QTD 2022 and YTD 2022 other operating income were higher mainly due to higher foreign exchange gains.
3. QTD 2022 and YTD 2022 staff costs increased as the Group expands its capacity to cater for higher demand for its services. These were also driven by annual increments and higher bonus provision, partially offset by lower costs of contract employees following the reduction of COVID-19 related services rendered.
4. QTD 2021 and YTD 2021 depreciation and impairment of property, plant and equipment included impairment loss of RM146.8 million for Gleneagles Chengdu Hospital. Excluding these, QTD 2022 and YTD 2022 depreciation and impairment of property, plant and equipment were higher as a result of application of MFRS 129 for the Group's subsidiaries in Turkey where the carrying amounts of property, plant and equipment were higher after reindexation. This was partially offset by lower depreciation from fully depreciated assets at GHK Hospital as well as no depreciation on Gleneagles Chengdu Hospital's impaired assets.
5. Increase in QTD 2022 and YTD 2022 other operating expenses was mainly attributed to the higher level of activities as compared to the corresponding periods last year when several regions were in lock down, as well as cost inflation. In addition, the Group also recorded higher foreign exchange losses.
6. Acibadem Holdings recognised exchange gain or loss arising from the translation of its non-TL denominated borrowings/payables net of its non-TL denominated cash/receivables as finance income or finance cost respectively. Acibadem Holdings manages its foreign exchange exposures by entering into cross-currency swaps ("CCS").

The Group recognised a higher net loss of RM44.6 million in YTD 2022 as compared to net loss of RM2.9 million in YTD 2021. On the same basis, the Group recognised a lower net loss of RM33.7 million in QTD 2022 as compared to net loss of RM59.6 million in QTD 2021.

Excluding the above, net finance costs were lower in QTD 2022 and YTD 2022 due to higher fair value gains on derivative financial instruments, lower interest expense on loans and borrowings as a result of repayment as well as higher interest income from bank deposits.

7. Lower share of profits of joint ventures in YTD 2022 was attributed to DDRC SRL which became a subsidiary of the Group and consolidated since April 2021.
8. Refer to Section B5 for details on income tax expenses.

9. Parkway Life Real Estate Investment Trust (“PLife REIT”) hedges its interest in the net assets of its Japanese operations. The effective portion of the hedge was recognised as a hedge of net investments in the statement of other comprehensive income, which offsets the foreign currency translation differences from the translation of the net assets of its Japanese operations. The Group’s remaining foreign currency translation differences from foreign operations arise mainly from the translation of the net assets of its Singapore, India and Turkey operations.
10. The Group’s subsidiaries in Turkey reindexed their non-monetary assets/liabilities at 1 January 2022 in YTD 2022 in accordance with MFRS 129 and recorded a gain in other comprehensive income.

Note:

Key average exchange rates used to translate the YTD results of overseas subsidiaries into RM:

	30 Jun 2022	30 Jun 2021
1 SGD	3.1281	3.0747
1 TL	0.28876	0.5220



**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022**

	Note	30 Jun 2022 RM'000	31 Dec 2021 RM'000
<b>Assets</b>			
Property, plant and equipment		11,926,741	10,840,572
Right-of-use assets		6,906,065	6,529,336
Investment properties		3,652,046	3,875,123
Goodwill on consolidation		13,152,647	12,170,705
Intangible assets		2,649,587	2,022,627
Interests in associates	1	116,645	157,613
Interests in joint ventures		6,612	6,307
Other financial assets	2	127,885	76,345
Trade and other receivables		153,770	131,425
Tax recoverables	3	365,321	302,224
Derivative assets		312,185	297,208
Deferred tax assets	4	738,124	567,731
<b>Total non-current assets</b>		<b>40,107,628</b>	<b>36,977,216</b>
Development properties		76,471	73,862
Inventories		507,947	455,065
Trade and other receivables		2,439,607	2,497,529
Tax recoverables	3	51,771	18,373
Other financial assets	2	171,383	340,733
Derivative assets		205,001	127,967
Cash and cash equivalents		4,294,045	5,017,680
		<u>7,746,225</u>	<u>8,531,209</u>
Assets classified as held for sale	5	660,318	1,844
<b>Total current assets</b>		<b>8,406,543</b>	<b>8,533,053</b>
<b>Total assets</b>		<b>48,514,171</b>	<b>45,510,269</b>

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022**

	Note	30 Jun 2022 RM'000	31 Dec 2021 RM'000
<b>Equity</b>			
Share capital		19,661,655	19,614,918
Other reserves		(310,465)	(2,846,392)
Retained earnings		6,231,099	5,656,406
<b>Total equity attributable to owners of the Company</b>		<b>25,582,289</b>	<b>22,424,932</b>
Perpetual securities		2,158,997	2,158,358
Non-controlling interests		3,230,291	2,693,541
<b>Total equity</b>		<b>30,971,577</b>	<b>27,276,831</b>
<b>Liabilities</b>			
Loans and borrowings	6	6,678,240	7,609,491
Lease liabilities		1,758,823	1,783,904
Employee benefits	7	147,948	135,225
Trade and other payables	8	1,179,867	1,420,424
Derivative liabilities		73	471
Deferred tax liabilities		1,629,436	1,234,665
<b>Total non-current liabilities</b>		<b>11,394,387</b>	<b>12,184,180</b>
Bank overdrafts		54,826	24,229
Loans and borrowings	6	1,155,825	1,237,427
Lease liabilities		233,708	218,630
Employee benefits	7	135,859	165,127
Trade and other payables		3,983,093	4,052,574
Tax payable		402,513	351,271
		5,965,824	6,049,258
Liabilities directly associated with assets classified as held for sale	5	182,383	-
<b>Total current liabilities</b>		<b>6,148,207</b>	<b>6,049,258</b>
<b>Total liabilities</b>		<b>17,542,594</b>	<b>18,233,438</b>
<b>Total equity and liabilities</b>		<b>48,514,171</b>	<b>45,510,269</b>
Net assets per share attributable to owners of the Company <sup>1</sup> (RM)		2.91	2.55

<sup>1</sup> Based on 8,802.8 million and 8,796.7 million shares issued as at 30 June 2022 and 31 December 2021 respectively.

## EXPLANATORY NOTES TO THE STATEMENT OF FINANCIAL POSITION

The Group's reported financial position was impacted by the relative movements in Ringgit Malaysia ("RM") against the exchange rates of the countries that the Group operates in. The RM weakened against SGD and strengthened against TL as at 30 June 2022 as compared to 31 December 2021.

In addition, the Group's reported results as at 30 June 2022 included the application to the Group's entities in Turkey of MFRS 129, as detailed in Section A1(b)(ii) and Section A4.

1. Decrease in interest in associates was mainly attributed to lower carrying value of Lanka Hospitals Corporation Plc as a result of the depreciation of the Sri Lankan Rupee.
2. Non-current other financial assets increased mainly due to RM16.1 million investment in convertible notes issued by Lucence Life Sciences Pte. Ltd and RM23.1 million investment in preference shares issued by EKO.AI Pte Ltd. Current other financial assets decreased due to full redemption of money market funds and transfer of fixed deposits with tenor of more than 3 months held by IMU Health Sdn. Bhd. ("IMUH") and its subsidiaries to assets classified as held for sale.
3. Tax recoverables increased as a result of tax paid by the Group's subsidiaries.
4. Deferred tax assets increased mainly due to indexation relating to property, plant and equipment, as well as investment incentives, in the local tax books as allowed by the Turkey government to cushion the effects of higher inflation.
5. The Group plans to divest its investment in IMUH (a 100% owned subsidiary) in the near term. Accordingly, the assets and liabilities of IMUH and its subsidiaries were transferred to assets and liabilities classified as held for sale as at 30 June 2022.
6. Loans and borrowings decreased due to net repayment of loans, mainly by Integrated Healthcare Turkey Yatirimlari Limited.
7. Employee benefits decreased due to lower provision for utilised leave by Fortis as a result of a change in its policy implemented during the period which reduced the number of days of paid leave its employees are allowed to accumulate. Employee benefits also decreased due to payments to defined contribution plans.
8. Non-current trade and other payables decreased mainly due to a decrease in the fair value of a put option liability relating to SRL Diagnostics Private Limited.

Note:

Key closing exchange rates used to translate the financial position of overseas subsidiaries into RM:

	30 Jun 2022	31 Dec 2021
1 SGD	3.1756	3.0817
1 TL	0.2649	0.3122

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

	←----- Attributable to owners of the Company ----->							-----> Non-distributable -----> Distributable					
	Share capital RM'000	Share option reserve RM'000	Revaluation reserve RM'000	Hedge reserve RM'000	Cost of hedging reserve RM'000	Capital reserve RM'000	Legal reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual securities RM'000	Non- controlling interests RM'000	Total equity RM'000
<b>At 1 January 2022</b>	19,614,918	33,874	83,434	16,587	332	(4,451,467)	57,814	1,413,034	5,656,406	22,424,932	2,158,358	2,693,541	27,276,831
Hyperinflationary restatement to 1 January 2022	-	-	-	-	-	421,267	(26,450)	1,064,261	59,161	1,518,239	-	259,758	1,777,997
	19,614,918	33,874	83,434	16,587	332	(4,030,200)	31,364	2,477,295	5,715,567	23,943,171	2,158,358	2,953,299	29,054,828
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	322,994	-	322,994	-	(218,615)	104,379
Hyperinflationary restatement of non-monetary assets at 1 January 2022	-	-	-	-	-	53,618	2,082	600,659	(30,889)	625,470	-	(2,155)	623,315
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	105,633	-	105,633	-	191,516	297,149
Cash flow hedge	-	-	-	4,235	-	-	-	-	-	4,235	-	7,678	11,913
Cost of hedging reserve	-	-	-	-	279	-	-	-	-	279	-	507	786
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	813	813	-	2,089	2,902
Total other comprehensive income for the period	-	-	-	4,235	279	53,618	2,082	1,029,286	(30,076)	1,059,424	-	(18,980)	1,040,444
Profit for the period	-	-	-	-	-	-	-	-	1,105,363	1,105,363	-	199,066	1,304,429
<b>Total comprehensive income for the period</b>	-	-	-	4,235	279	53,618	2,082	1,029,286	1,075,287	2,164,787	-	180,086	2,344,873
<i>Contributions by and distributions to owners</i>													
Share-based payment transactions	-	1,066	-	-	-	-	-	-	-	1,066	-	-	1,066
Transfer to share capital for share options exercised	46,737	(9,882)	-	-	-	-	-	-	-	36,855	-	-	36,855
Cancellation of vested share options	-	(189)	-	-	-	-	-	-	189	-	-	-	-
Dividends declared	-	-	-	-	-	-	-	-	(528,162)	(528,162)	-	(61,813)	(589,975)
Payment of coupon on perpetual securities	-	-	-	-	-	(428)	-	-	-	(428)	(44,590)	-	(45,018)
Accrued perpetual securities distribution	-	-	-	-	-	-	-	-	(45,229)	(45,229)	45,229	-	-
Changes in ownership interests in subsidiaries	-	-	-	(2)	-	1,495	-	(5)	-	1,488	-	410	1,898
Change in fair value of liabilities on put options granted to non-controlling interests	-	-	-	-	-	8,741	-	-	-	8,741	-	158,309	167,050
Transfer per statutory requirements	-	-	-	-	-	-	2,733	-	(2,733)	-	-	-	-
Transfer from hedge reserve to retained earnings	-	-	-	(16,180)	-	-	-	-	16,180	-	-	-	-
<b>Total transactions with owners</b>	46,737	(9,005)	-	(16,182)	-	9,808	2,733	(5)	(559,755)	(525,669)	639	96,906	(428,124)
<b>At 30 June 2022</b>	19,661,655	24,869	83,434	4,640	611	(3,966,774)	36,179	3,506,576	6,231,099	25,582,289	2,158,997	3,230,291	30,971,577

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

	<----- Attributable to owners of the Company ----->												
	<----- Non-distributable ----->										Distributable		
	Share capital	Share option reserve	Revaluation reserve	Hedge reserve	Cost of hedging reserve	Capital reserve	Legal reserve	Foreign currency translation reserve	Retained earnings	Total	Perpetual securities	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2021</b>	19,473,364	80,168	83,434	12,454	408	(3,777,228)	55,590	1,556,893	4,254,736	21,739,819	2,158,061	3,137,489	27,035,369
Foreign currency translation differences from foreign operations	-	-	-	-	-	-	-	5,823	-	5,823	-	(27,627)	(21,804)
Realisation of FCTR upon disposal of a joint venture	-	-	-	-	-	-	-	22,148	-	22,148	-	-	22,148
Hedge of net investments in foreign operations	-	-	-	-	-	-	-	13,974	-	13,974	-	25,296	39,270
Cash flow hedge	-	-	-	2,998	-	-	-	-	-	2,998	-	5,428	8,426
Cost of hedging reserve	-	-	-	-	132	-	-	-	-	132	-	238	370
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	766	766	-	393	1,159
Total other comprehensive income for the period	-	-	-	2,998	132	-	-	41,945	766	45,841	-	3,728	49,569
Profit for the period	-	-	-	-	-	-	-	-	858,927	858,927	-	120,044	978,971
<b>Total comprehensive income for the period</b>	-	-	-	2,998	132	-	-	41,945	859,693	904,768	-	123,772	1,028,540
<i>Contributions by and distributions to owners</i>													
Share-based payment transactions	-	4,832	-	-	-	7	-	-	-	4,839	-	16	4,855
Transfer to share capital for share options exercised	10,127	(10,127)	-	-	-	-	-	-	-	-	-	-	-
Cancellation of vested share options	-	(1,528)	-	-	-	-	-	-	1,528	-	-	-	-
Dividends declared	-	-	-	-	-	-	-	-	(351,163)	(351,163)	-	(102,952)	(454,115)
Payment of coupon on perpetual securities	-	-	-	-	-	1,457	-	-	-	1,457	(44,431)	-	(42,974)
Accrued perpetual securities distribution	-	-	-	-	-	-	-	-	(43,285)	(43,285)	43,285	-	-
Changes in ownership interests in subsidiaries	-	-	-	1	-	954	-	(6)	-	949	-	1,422	2,371
Issue of shares by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	477	477
Changes in fair value of liabilities on put options granted to non-controlling interests	-	-	-	-	-	(57,085)	-	-	-	(57,085)	-	(86,797)	(143,882)
Transfer per statutory requirements	-	-	-	-	-	-	2,423	-	(2,423)	-	-	-	-
<b>Total transactions with owners</b>	10,127	(6,823)	-	1	-	(54,667)	2,423	(6)	(395,343)	(444,288)	(1,146)	(187,834)	(633,268)
<b>At 30 June 2021</b>	19,483,491	73,345	83,434	15,453	540	(3,831,895)	58,013	1,598,832	4,719,086	22,200,299	2,156,915	3,073,427	27,430,641

The unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the 2021 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

	Financial period ended	
	30 Jun 2022 RM'000	30 Jun 2021 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	1,499,657	1,254,960
Adjustments for:		
Dividend income	(63)	(1,288)
Finance income	(175,828)	(188,949)
Finance costs	311,749	416,934
Depreciation and impairment of property, plant and equipment	491,096	619,501
Depreciation of ROU assets	177,869	155,153
Amortisation of intangible assets	23,228	24,167
Impairment loss made/(written back):		
- Trade and other receivables	6,861	61,450
- Inventories	(134)	(159)
Write-off:		
- Property, plant and equipment	274	916
- Trade and other receivables	3,867	6,564
- Inventories	2,487	1,804
Gain on disposal of property, plant and equipment	(9,708)	(1,489)
Gain on disposal of an investment property	-	(15,722)
Gain on disposal of a joint venture	-	(139,053)
Change in fair value of investment properties	3,621	-
Remeasurement to fair value of interest in a joint venture	-	(85,768)
Share of profits of associates (net of tax)	(18,914)	(18,331)
Share of profits of joint ventures (net of tax)	(1,238)	(8,045)
Equity-settled share-based payment	1,066	4,855
Net monetary gain from hyperinflationary economies	(295,542)	-
<b>Operating profit before changes in working capital</b>	<b>2,020,348</b>	<b>2,087,500</b>
Changes in working capital:		
Development properties	(2,609)	(3,095)
Inventories	(56,356)	(44,875)
Trade and other receivables	(56,323)	(490,634)
Trade and other payables	96,413	112,009
<b>Cash generated from operations</b>	<b>2,001,473</b>	<b>1,660,905</b>
Tax paid	(306,105)	(208,997)
<b>Net cash from operating activities</b>	<b>1,695,368</b>	<b>1,451,908</b>
<b>Cash flows from investing activities</b>		
Interest received	58,293	28,764
Acquisition of a subsidiary, net of cash and cash equivalents acquired	-	(178,042)
Purchase of investments	(39,381)	-
Net (placement)/withdrawal of fixed deposits with tenor of more than 3 months	(9,554)	17,327
Purchase of property, plant and equipment	(780,371)	(394,554)
Purchase of investment properties	(9,860)	(5,093)
Development and purchase of intangible assets	(7,216)	(9,693)
Proceeds from disposal of a joint venture	-	225,080
Proceeds from redemption of money market funds	112,099	-
Proceeds from disposal of property, plant and equipment	15,282	7,734
Proceeds from disposal of an investment property	-	110,414
Proceeds from disposal of intangible assets	-	1,170
Dividends received from associates	20,646	14,251
Dividends received from joint ventures	921	16,330
Repayment by a joint venture	-	9,638
<b>Net cash used in investing activities</b>	<b>(639,141)</b>	<b>(156,674)</b>

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

	Financial period ended	
	30 Jun 2022 RM'000	30 Jun 2021 RM'000
<b>Cash flows from financing activities</b>		
Finance costs paid	(133,720)	(152,847)
Proceeds from loans and borrowings	1,272,381	894,568
Repayment of loans and borrowings	(2,049,010)	(1,538,897)
Payment of lease liabilities	(178,589)	(165,285)
Payment of perpetual securities distribution	(45,018)	(42,974)
Dividends paid to non-controlling interests	(61,813)	(102,952)
Dividends paid to owners of the Company	(528,162)	(351,163)
Proceeds from exercise of share options	36,855	-
Proceeds from issue of shares by subsidiaries to non-controlling interests	-	846
Change in restricted cash	-	5,605
<b>Net cash used in financing activities</b>	<b>(1,687,076)</b>	<b>(1,453,099)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(630,849)</b>	<b>(157,865)</b>
Effect of exchange rate fluctuations on cash and cash equivalents held	(10,376)	19,218
Cash and cash equivalents at beginning of the period	3,089,870	2,264,047
<b>Cash and cash equivalents at end of the period</b>	<b>2,448,645</b>	<b>2,125,400</b>

***Cash and cash equivalents***

Cash and cash equivalents in the statement of cash flows comprises the following amounts from the statement of financial position:

	30 Jun 2022 RM'000	30 Jun 2021 RM'000
Cash and bank balances	1,497,319	1,408,515
Fixed deposits with tenor of 3 months or less	2,796,726	2,646,120
<b>Cash and cash equivalents in the statement of financial position</b>	<b>4,294,045</b>	<b>4,054,635</b>
Add:		
- Cash and cash equivalents included in assets classified as held for sale	100,579	-
Less:		
- Bank overdrafts	(54,826)	(37,322)
- Deposits placed in escrow account	(1,887,861)	(1,883,255)
- Restricted cash	(3,292)	(8,658)
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>2,448,645</b>	<b>2,125,400</b>

The unaudited Consolidated Statement of Cash Flows should be read in conjunction with the 2021 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

**A1 BASIS OF PREPARATION**

**a) Basis of accounting**

These consolidated interim financial report are prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134, *Interim Financial Reporting* in Malaysia and IAS 34, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 31 December 2021 (“2021 Audited Financial Statements”).

The 2021 Audited Financial Statements were prepared under Malaysian Financial Reporting Standards (“MFRSs”).

**b) Significant accounting policies**

The accounting policies and presentation adopted for this unaudited consolidated interim financial report are consistent with those adopted for the 2021 Audited Financial Statements, except for the following:

- (i) the adoption of the new, revised and amendments to MFRS as issued by the Malaysian Accounting Standards Board, as follows:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*

- (ii) the application of MFRS 129, *Financial Reporting in Hyperinflationary Economies* for component entities whose functional currency is the Turkish Lira.

The Turkish economy was designated as hyperinflationary for reporting periods ending on or after 30 April 2022. As a result, MFRS 129, *Financial Reporting in Hyperinflationary Economies* has been applied for component entities whose functional currency is the Turkish Lira.

The assets, liabilities, equity items, income and expenses of foreign operations in hyperinflationary economies are translated to RM at the exchange rate at the end of the reporting period. Prior to translating the financial statements of foreign operations in hyperinflationary economies, their financial statements for the current period are restated to account for changes in the general purchasing power of the local currency. The restatement is based on relevant price indices at the end of the reporting period. Amounts shown for prior periods for comparative purposes are not modified.



**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

The application of MFRS 129 includes:

- Adjustment of historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the period end date;
- Adjustment of the income and expenses for inflation during the reporting period;
- The income and expenses are translated at the period-end foreign exchange rate instead of an average rate; and
- Adjustment of the income and expenses to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.

**Price index**

The financial statements of component entities, of which their functional currency is denominated in Turkish Lira, have been restated to reflect the price index and the exchange rate at 30 June 2022 in accordance with MFRS 129 requirements. Hyperinflationary adjustments are based on available data for changes in the Consumer Price Index published by the Turkish Statistical Institute (“TURKSTAT”). Based on this price index, the hyperinflation closing price index as at 30 June 2022 was 977.9.

**Net monetary gain/(loss) arising from hyperinflationary economies**

Net monetary gain/(loss) arising from hyperinflationary economies is derived as the difference resulting from the restatement of non-monetary assets and liabilities, owners’ equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

Refer to Section A4 for the effects of applying MFRS 129 on the Group’s reported results.

**A2 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS**

The 2021 Audited Financial Statements were not subjected to any qualification.

**A3 SEASONALITY OF OPERATIONS**

Inpatient and outpatient revenue and volume are generally lower during festive periods and summer months in each of the relevant countries in which the Group operates and other holiday periods. Conversely, patient volumes and thus inpatient and outpatient revenue are highest during the winter months in some markets. As the Group is continuously expanding, the effects of seasonality may not be obvious from the Group’s financial statements.

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

**A4 SIGNIFICANT UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET  
INCOME OR CASH FLOWS**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial period ended 30 June 2022, other than the COVID-19 pandemic impact on the performance of the Group, and the effects of the application to the Group's entities in Turkey of MFRS 129.

**Effects of application of MFRS129**

	<b>Before hyperinflationary adjustments RM'000</b>	<b>Adjustments RM'000</b>	<b>After hyperinflationary adjustments RM'000</b>
<b><u>Statement of profit or loss</u></b>			
Revenue	8,500,194	36,434	8,536,628
Other operating income	215,099	754	215,853
Inventories and consumables	(1,776,528)	(49,334)	(1,825,862)
Purchased and contracted services	(790,848)	(6,087)	(796,935)
Staff costs	(3,025,849)	(17,411)	(3,043,260)
Depreciation and impairment of property, plant and equipment	(432,493)	(58,603)	(491,096)
Depreciation of right-of-use ("ROU") assets	(154,584)	(23,285)	(177,869)
Amortisation of intangible assets	(19,729)	(3,499)	(23,228)
Operating lease expenses	(42,016)	172	(41,844)
Other operating expenses	(1,031,864)	(639)	(1,032,503)
Finance income	178,510	(2,682)	175,828
Finance costs	(311,957)	208	(311,749)
Net monetary gain from hyperinflationary economies	-	295,542	295,542
Share of profits of associates (net of tax)	18,914	-	18,914
Share of profits of joint ventures (net of tax)	1,238	-	1,238
<b>Profit before tax</b>	<b>1,328,087</b>	<b>171,570</b>	<b>1,499,657</b>
Income tax expense	(75,047)	(120,181)	(195,228)
<b>Profit for the period</b>	<b>1,253,040</b>	<b>51,389</b>	<b>1,304,429</b>
<b>Profit attributable to:</b>			
Owners of the Company	1,059,462	45,901	1,105,363
Non-controlling interests	193,578	5,488	199,066
	<b>1,253,040</b>	<b>51,389</b>	<b>1,304,429</b>

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

<u>Statement of financial position</u>	Before hyperinflationary adjustments RM'000	Adjustments RM'000	After hyperinflationary adjustments RM'000
<b>Non-current assets</b>			
Property, plant and equipment	10,926,003	1,000,738	11,926,741
Right-of-use assets	6,557,339	348,726	6,906,065
Goodwill on consolidation	12,150,400	1,002,247	13,152,647
Intangible assets	1,968,255	681,332	2,649,587
Trade and other receivables	136,629	17,141	153,770
Deferred tax assets	735,308	2,816	738,124
<b>Curent assets</b>			
Inventories	491,956	15,991	507,947
Trade and other receivables	2,400,740	38,867	2,439,607
<b>Equity</b>			
Other reserves	(2,595,317)	2,284,852	(310,465)
Retained earnings	6,156,675	74,424	6,231,099
Non-controlling interests	2,909,820	320,471	3,230,291
<b>Non-current liabilities</b>			
Deferred tax liabilities	1,201,325	428,111	1,629,436

**A5 CHANGE IN ACCOUNTING ESTIMATES**

There were no changes in the estimates of amounts reported in prior financial years that may have a material effect in the current quarter and financial period.

In preparing the unaudited consolidated interim financial report, the significant judgments made by the management in applying the Group's accounting policies and key sources of estimating uncertainty were consistent with those applied to the 2021 Audited Financial Statements.

**A6 DEBT AND EQUITY SECURITIES**

Between 1 January 2022 to 30 June 2022, IHH issued 6,064,000 new ordinary shares pursuant to the exercise of vested Enterprise Option Scheme ("EOS") units.

Except as disclosed above, there were no other issuance of shares, share buy-backs and repayments of debt and equity securities by IHH during the financial period 1 January 2022 to 30 June 2022.

As at 30 June 2022, the issued share capital of IHH comprised of 8,802,781,463 ordinary shares.

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

**A7 DIVIDENDS PAID**

	<b>Sen per ordinary share</b>	<b>Total amount RM'000</b>	<b>Date of payment</b>
First and final single tier cash dividend for financial year ended 31 December 2021	6.00	528,162	29-Apr-22

**A8 SEGMENT REPORTING**

Since 1 January 2022, the Group's segment reporting has been changed to reflect the Group's new reporting structure. The results for the comparative periods have been restated on the same basis.

The Group's reportable segments comprise:

- Hospital and healthcare
  - Singapore
  - Malaysia
  - India
  - Greater China
  - Turkey and Europe
  - Southeast Asia
- IMU Health
- PLife REIT
- Others

Except for IMU Health and PLife REIT, the strategic business units offer hospital and healthcare services in different locations, and are managed separately. IMU Health is an educational service provider while PLife REIT is a real estate investment trust. Others comprises the Group's corporate office as well as other investment holding entities.

Management monitors the operating results of each business unit for the purpose of making decisions on resource allocation and performance assessment. Performance is measured based on segment earnings before interest, tax, depreciation, amortisation, exchange differences and other non-operational items ("EBITDA").

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

**A8 SEGMENT REPORTING**

Financial period ended 30 June 2022

	Hospital and Healthcare						IMU Health RM'000	PLife REIT RM'000	Others RM'000	Eliminations RM'000	Total RM'000
	Singapore RM'000	Malaysia RM'000	India RM'000	Greater China RM'000	Turkey and Europe RM'000	Southeast Asia RM'000					
<b><u>Revenue and expenses</u></b>											
Revenue from external customers	2,522,374	1,464,448	1,823,910	446,905	2,069,296	-	131,143	76,189	2,363	-	8,536,628
Inter-segment revenue	200	500	-	1	820	-	626	111,465	94,929	(208,541)	-
Total segment revenue	<u>2,522,574</u>	<u>1,464,948</u>	<u>1,823,910</u>	<u>446,906</u>	<u>2,070,116</u>	<u>-</u>	<u>131,769</u>	<u>187,654</u>	<u>97,292</u>	<u>(208,541)</u>	<u>8,536,628</u>
EBITDA	804,030	416,637	301,559	(40,337)	464,635	(283)	49,864	144,571	(19,633)	(145,606)	1,975,437
Depreciation and impairment of property, plant and equipment	(91,433)	(107,740)	(76,246)	(61,565)	(135,821)	-	(5,279)	(12,107)	(905)	-	(491,096)
Depreciation of ROU assets	(146,443)	(13,301)	(18,514)	(38,829)	(55,267)	-	(1,235)	(6,397)	(2,975)	105,092	(177,869)
Amortisation of intangible assets	-	(878)	(14,204)	(2,016)	(5,875)	-	(255)	-	(4,542)	4,542	(23,228)
Foreign exchange differences	(147)	(786)	5,813	376	455	(3,321)	(9)	5,338	14,638	-	22,357
Net monetary gain from hyperinflationary economies	-	-	-	-	295,542	-	-	-	-	-	295,542
Finance income	106	2,890	6,084	1,974	81,725	4	1,535	20,790	63,239	(2,519)	175,828
Finance costs	(2,181)	(4,230)	(44,228)	(37,049)	(209,896)	-	-	(7,070)	(10,968)	3,873	(311,749)
Share of profits of associates (net of tax)	619	-	9,196	-	-	9,099	-	-	-	-	18,914
Share of profits of joint ventures (net of tax)	921	-	317	-	-	-	-	-	-	-	1,238
Others	-	-	-	14,283	-	-	-	-	-	-	14,283
Profit/(Loss) before tax	565,472	292,592	169,777	(163,163)	435,498	5,499	44,621	145,125	38,854	(34,618)	1,499,657
Income tax expense	(106,060)	(86,095)	(42,799)	889	66,090	-	(11,431)	(8,718)	(7,104)	-	(195,228)
Profit/(Loss) for the period	<u>459,412</u>	<u>206,497</u>	<u>126,978</u>	<u>(162,274)</u>	<u>501,588</u>	<u>5,499</u>	<u>33,190</u>	<u>136,407</u>	<u>31,750</u>	<u>(34,618)</u>	<u>1,304,429</u>
<b><u>Assets and liabilities</u></b>											
Cash and cash equivalents	246,972	404,898	2,006,502	330,991	291,135	6,954	-	93,865	912,728	-	4,294,045
Other assets	14,570,707	6,169,046	7,569,740	3,818,607	8,099,415	48,043	659,262	4,872,330	4,394,399	(5,981,423)	44,220,126
Segment assets as at 30 June 2022	<u>14,817,679</u>	<u>6,573,944</u>	<u>9,576,242</u>	<u>4,149,598</u>	<u>8,390,550</u>	<u>54,997</u>	<u>659,262</u>	<u>4,966,195</u>	<u>5,307,127</u>	<u>(5,981,423)</u>	<u>48,514,171</u>
Loans and borrowings	-	205,000	651,872	3,419,386	1,232,898	-	-	2,324,909	-	-	7,834,065
Other liabilities	4,918,385	872,791	2,751,674	1,034,641	3,465,867	21,046	182,383	371,992	1,987,406	(5,897,656)	9,708,529
Segment liabilities as at 30 June 2022	<u>4,918,385</u>	<u>1,077,791</u>	<u>3,403,546</u>	<u>4,454,027</u>	<u>4,698,765</u>	<u>21,046</u>	<u>182,383</u>	<u>2,696,901</u>	<u>1,987,406</u>	<u>(5,897,656)</u>	<u>17,542,594</u>

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

Financial period ended 30 June 2021

	Hospital and Healthcare						IMU Health RM'000	PLife REIT RM'000	Others RM'000	Eliminations RM'000	Total RM'000
	Singapore RM'000	Malaysia RM'000	India RM'000	Greater China RM'000	Turkey and Europe RM'000	Southeast Asia RM'000					
<b><u>Revenue and expenses</u></b>											
Revenue from external customers	2,417,345	1,274,287	1,803,309	406,178	2,113,797	-	122,056	74,900	4,179	-	8,216,051
Inter-segment revenue	555	500	-	-	-	-	1,335	107,815	53,015	(163,220)	-
Total segment revenue	2,417,900	1,274,787	1,803,309	406,178	2,113,797	-	123,391	182,715	57,194	(163,220)	8,216,051
EBITDA	845,392	336,132	303,042	(50,080)	580,385	(193)	44,753	162,394	325,537	(478,082)	2,069,280
Depreciation and impairment of property, plant and equipment	(84,258)	(105,876)	(75,532)	(237,059)	(98,158)	(7)	(6,593)	(11,807)	(211)	-	(619,501)
Depreciation of ROU assets	(143,526)	(12,880)	(16,393)	(37,021)	(42,300)	-	(2,206)	(6,347)	(872)	106,392	(155,153)
Amortisation of intangible assets	-	(1,818)	(13,316)	(1,963)	(6,748)	-	(322)	-	-	-	(24,167)
Foreign exchange differences	(175)	(43)	797	464	161	(96)	-	3,668	(249)	-	4,527
Finance income	161	5,107	8,199	2,782	161,996	1	1,221	8,682	1,538	(738)	188,949
Finance costs	(5,224)	(375)	(60,043)	(33,537)	(304,885)	-	-	(6,569)	(11,026)	4,725	(416,934)
Share of profits of associates (net of tax)	1,550	-	5,705	-	-	11,076	-	-	-	-	18,331
Share of profits of joint ventures (net of tax)	383	-	7,662	-	-	-	-	-	-	-	8,045
Others	-	-	224,821	-	-	(43,238)	-	-	-	-	181,583
Profit/(Loss) before tax	614,303	220,247	384,942	(356,414)	290,451	(32,457)	36,853	150,021	314,717	(367,703)	1,254,960
Income tax expense	(109,299)	(52,627)	(56,586)	(1,676)	(23,167)	-	(9,748)	(12,512)	(10,374)	-	(275,989)
Profit/(Loss) for the period	505,004	167,620	328,356	(358,090)	267,284	(32,457)	27,105	137,509	304,343	(367,703)	978,971
<b><u>Assets and liabilities</u></b>											
Cash and cash equivalents	169,273	504,812	1,984,946	379,628	238,714	6,657	26,065	93,006	651,534	-	4,054,635
Other assets	13,109,620	6,096,322	7,518,798	3,823,140	4,752,314	48,596	576,051	4,747,117	1,975,194	(2,158,329)	40,488,823
Segment assets as at 30 June 2021	13,278,893	6,601,134	9,503,744	4,202,768	4,991,028	55,253	602,116	4,840,123	2,626,728	(2,158,329)	44,543,458
Loans and borrowings	-	-	919,310	3,051,691	1,882,096	-	30,740	2,303,128	783,095	-	8,970,060
Other liabilities	3,369,219	747,179	2,508,511	1,035,294	1,840,066	19,184	155,143	372,767	167,310	(2,071,916)	8,142,757
Segment liabilities as at 30 June 2021	3,369,219	747,179	3,427,821	4,086,985	3,722,162	19,184	185,883	2,675,895	950,405	(2,071,916)	17,112,817

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

**A9 VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

The Group does not adopt a revaluation policy on its property, plant and equipment.

**A10 SIGNIFICANT RELATED PARTY TRANSACTIONS**

Related party transactions have been entered into in the normal course of business under negotiated terms. Other than the remuneration paid to the Key Management Personnel, the significant related party transactions of the Group are as follows:

	Financial period ended	
	30 Jun 2022	30 Jun 2021
	RM'000	RM'000
<b>Transactions with substantial shareholders and their related companies</b>		
- Sales and provision of services	75	98
- Purchase and consumption of services	(5,919)	(5,888)
	<hr/>	<hr/>
<b>Transactions with Key Management Personnel and their related companies</b>		
- Sales and provision of services	1,717	1,190
- Purchase and consumption of services	(31,671)	(33,365)
	<hr/>	<hr/>

**A11 CHANGES IN THE COMPOSITION OF THE GROUP**

- (a) On 5 April 2022, Parkway Trust Management Limited (“PTM”) transferred 123,500 Parkway Life Real Estate Investment Trust (“PLife REIT”) units that it owned to its eligible employees in accordance to PTM’s long term incentive plan. Consequential thereto, IHH Group’s effective interest in PLife REIT was diluted from 35.60% to 35.58%.
- (b) On 25 May 2022, a sole proprietorship named Marija Mirkovic Sindjelic PR Laboratorija Za Mikrobiologiju SA Virusologijom Acibadem Bel Medic Beograd (“Marija Mirkovic”) has been established pursuant to the Consultancy Agreement entered into by General Hospital Acibadem Bel Medic (*formerly known as Opsta Bolnica Bel Medic (Bel Medic General Hospital)*) (“ABM”) with the sole proprietor. ABM has control power over Marija Mirkovic and has consolidated the financial statements of Marija Mirkovic into ABM financial statements under IFRS 10 *Consolidated Financial Statements*. Accordingly, Marija Mirkovic is regarded as indirect subsidiary of IHH pursuant to IFRS10 *Consolidated Financial Statements*. The principal activity of Marija Mirkovic is provision of laboratory business.
- (c) On 2 June 2022, IHH established a wholly-owned subsidiary, IHH Laboratories Holdings Sdn Bhd (“IHH Laboratories Holdings”) in Malaysia. The initial capital of IHH Laboratories Holdings is RM1 and its intended principal activity is investment holding.
- (d) On 3 June 2022, IHH established a wholly-owned subsidiary, IHH Treasury Services Pte Ltd (now known as IHH Financial Services Pte Ltd (“IHH Financial Services”) after it changed its name on 6 July 2022) in Singapore. The initial capital of IHH Financial Services is SGD1 million (equivalent to RM3.2 million) and its intended principal activity is provision of treasury services.

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

- (e) On 9 June 2022, IMU Health Sdn Bhd (“IMUH”) established a wholly-owned subsidiary, IMU Omega Sdn Bhd (“IMU Omega”) in Malaysia. The initial capital of IMU Omega is RM2 and its intended principal activity is provision of medical, surgical and hospital services.
- (f) On 28 June 2022, IHH Laboratories Holdings established a wholly-owned subsidiary, IHH Laboratories Pte Ltd (“IHH Laboratories”) in Singapore. The initial capital of IHH Laboratories is SGD1 (equivalent to RM3) and its intended principal activity are investment holding and provision of services for medical diagnostic laboratory tests.

The above changes in the composition of the Group are not expected to have material effect on the earnings and net assets of the Group.

**A12 SUBSEQUENT EVENTS**

- (a) Between 1 July 2022 to 25 August 2022, the Company issued 3,262,000 new ordinary shares pursuant to the exercise of vested EOS options.
- (b) On 6 July 2022, Parkway Group Healthcare Pte Ltd acquired 100% equity interest in IHH Technology Sdn Bhd (formerly known as POEM Corporate Health Services Sdn Bhd) from Pantai Group Resources Sdn Bhd at a total consideration of RM635,000.
- (c) On 14 July 2022, Parkway HK Holdings Limited established a 60%-owned subsidiary, Parkway Medical Services (Hong Kong) Limited (“Parkway Medical”) in Hong Kong. The remaining 40% equity stake in Parkway Medical is owned by Media Year Investments Limited. The initial capital of Parkway Medical is HKD10 (equivalent to RM6) and its intended principal activity is provision of healthcare services.
- (d) On 27 July 2022, Parkway Pantai Limited has completed the redemption of its US\$500 million 4.25% Senior Perpetual Securities (“Securities”), issued under its US\$2.0 billion Multicurrency Medium Term Note Programme. Following the redemption, all of the outstanding Securities have been cancelled and delisted from the Singapore Exchange Securities Trading Limited.
- (e) On 9 August 2022, Acibadem Sağlık Hizmetleri ve Ticaret A.S. (“ASH”), acquired 100% equity interest in Ortopedia Özel Sağlık Hizmetleri Anonim Şirketi (“Ortopedia”) for a total consideration of TL200.0 million (equivalent to RM50.1 million). Ortopedia is a private healthcare operator in Adana, Turkey and it currently operates a 52 bedded hospital specifically for orthopedics. Post completion of the acquisition, Ortopedia has become a direct subsidiary of ASH.

**A13 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

As at 25 August 2022, there were no material changes in contingent liabilities or contingent assets from those disclosed in the 2021 Audited Financial Statements.



**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

**A14 CAPITAL COMMITMENTS**

	<b>30 Jun 2022</b>	<b>31 Dec 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>a. Capital expenditure commitments</b>		
<i>Property, plant and equipment and investment properties</i>		
- Contracted but not provided for	527,708	541,431
	<hr/>	<hr/>
<b>b. Other commitments</b>		
Maximum amount committed for Fortis Open Offer <sup>1</sup>	1,883,725	1,896,122
Maximum amount committed for Malar Open Offer <sup>1</sup>	15,965	16,070
	<hr/>	<hr/>
	<hr/>	<hr/>

<sup>1</sup> The actual number of Fortis Healthcare Limited (“Fortis”) shares and the actual number of Fortis Malar Hospitals Limited (“Malar”) shares that Northern TK Venture Pte. Ltd. (“NTK”) will be acquiring can only be determined at the end of the Fortis Open Offer and Malar Open Offer respectively.

On 13 November 2018, IHH acquired 31.17% equity interest in Fortis through a preferential allotment by Fortis to an indirect wholly-owned subsidiary of IHH, NTK. As a consequence of the preferential allotment by Fortis, NTK is required to carry out the following:

- (i) A mandatory open offer for acquisition of up to 197,025,660 equity shares of face value of INR10 each in Fortis, representing additional 26% of the Expanded Voting Share Capital (as defined in Section B6(1)) of Fortis, at a price of not less than INR170 per share (“Fortis Open Offer”) or such higher price as required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (ii) In light of the acquisition of the controlling stake of Fortis, a mandatory open offer for acquisition of up to 4,894,308 fully paid up equity shares of face value of INR10 each in Malar, representing 26% of the paid-up equity shares of Malar at a price of INR58 per share (“Malar Open Offer”). The Malar Open Offer is subject to the completion of the Fortis Open Offer.

In light of the 14 December 2018 status quo Order, and the 15 November 2019 Judgment mentioned in Section B6(1), the Fortis Open Offer as well as the Malar Open Offer (which is subject to the completion of the Fortis Open Offer) will not proceed for the time being.

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

**A15 FAIR VALUE HIERARCHY**

*Fair value hierarchy*

The table below analyses financial instruments carried at fair value. The different levels are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b><u>30 June 2022</u></b>				
<b>Assets</b>				
Unquoted shares at FVOCI	-	-	98,251	98,251
Foreign exchange forward contracts	-	95,860	-	95,860
Interest rate caps	-	5,110	-	5,110
Cross currency interest rate swaps	-	56,696	-	56,696
Cross currency swaps	-	359,520	-	359,520
	-	517,186	98,251	615,437
<b>Liabilities</b>				
Liabilities on put options granted to non-controlling interest <sup>1</sup>	-	-	(1,703,949)	(1,703,949)
Interest rate swaps	-	(73)	-	(73)
	-	(73)	(1,703,949)	(1,704,022)
<b><u>31 December 2021</u></b>				
<b>Assets</b>				
Unquoted shares at FVOCI	-	-	72,581	72,581
Money market funds at FVTPL	-	111,394	-	111,394
Foreign exchange forward contracts	-	21,451	-	21,451
Interest rate caps	-	2,143	-	2,143
Cross currency interest rate swaps	-	27,199	-	27,199
Cross currency swaps	-	374,382	-	374,382
	-	536,569	72,581	609,150
<b>Liabilities</b>				
Liabilities on put options granted to non-controlling interest <sup>1</sup>	-	-	(1,938,448)	(1,938,448)
Interest rate swaps	-	(471)	-	(471)
	-	(471)	(1,938,448)	(1,938,919)

<sup>1</sup> Liabilities on put options granted to non-controlling interests are stated at fair value based on the subsidiary's equity value and the discounted cash flow method based on present value of expected payment discounted using a risk-adjusted discount rate.

Refer to Section B14 for fair value gain/(loss) recognised in the statement of profit or loss.

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

**A16 UPDATE ON INVESTIGATIONS BY SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) AND SERIOUS FRAUD INVESTIGATION OFFICE (“SFIO”) ON FORTIS**

SEBI issued a show cause notice (“SCN”) dated 20 November 2020 to Fortis and Fortis Hospitals Limited (“FHsL”) in furtherance of the SEBI investigation. In response to the SCN, a joint representation was filed by Fortis and FHsL on 28 December 2020 submitting reasons as to why the SCN ought to be quashed.

SEBI has passed an order dated 19 April 2022 with regards to the SCN directing Fortis and FHsL to pursue the measures already taken to recover the amount of approximately INR3,971.2 million (equivalent to RM219.6 million) along with the interest thereon from the Erstwhile Promoters, and for the Audit Committee of Fortis to regularly monitor progress of such measures and report the same to the Board of Directors of Fortis. SEBI has imposed a penalty of INR5.0 million (equivalent to RM0.3 million) and INR10.0 million (equivalent to RM0.6 million) on FHsL and Fortis respectively. Thereafter, Fortis and FHsL had filed an appeal before Securities Appellate Tribunal, Mumbai (“SAT”) and the next hearing is on 26 August 2022.

On 9 April 2021, SEBI issued another SCN (“EHIRCL SCN”) to various noticees including Escorts Heart Institute and Research Centre Limited (“EHIRCL”), a subsidiary of Fortis in furtherance of the SEBI investigation. In response thereto, a representation was filed by EHIRCL on 11 June 2021 submitting reasons as to why the EHIRCL SCN ought to be quashed.

SEBI has passed an order dated 18 May 2022 with regards to the EHIRCL SCN and has imposed a penalty of INR10.0 million (equivalent to RM0.6 million) on EHIRCL. Thereafter, EHIRCL had filed an appeal before SAT and the next hearing is on 29 September 2022.

As at 25 August 2022, there were no further developments in the ongoing investigation on Fortis by the SFIO, Ministry of Corporate Affairs of India, from that disclosed in Note 46 of the 2021 Audited Financial Statements.

**A17 UPDATE ON THE SUO-MOTO CONTEMPT NOTICE TO FORTIS ON 15TH NOVEMBER 2019**

Please refer to section B6(1) for details.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

**B1 REVIEW OF THE PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES**

	2nd quarter ended			Financial period ended		
	30 Jun 2022	30 Jun 2021	Variance	30 Jun 2022	30 Jun 2021	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
<b><u>REVENUE</u><sup>1</sup></b>						
Singapore	1,271,881	1,261,856	1%	2,522,374	2,417,345	4%
Malaysia	759,854	662,369	15%	1,464,448	1,274,287	15%
India	953,741	972,677	-2%	1,823,910	1,803,309	1%
Greater China	226,241	218,867	3%	446,905	406,178	10%
Turkey and Europe	1,018,528	1,053,293	-3%	2,032,861	2,113,797	-4%
<b>Hospital and Healthcare</b>	<b>4,230,245</b>	<b>4,169,062</b>	<b>1%</b>	<b>8,290,498</b>	<b>8,014,916</b>	<b>3%</b>
<b>IMU Health</b>	<b>68,967</b>	<b>62,237</b>	<b>11%</b>	<b>131,143</b>	<b>122,056</b>	<b>7%</b>
<b>Others<sup>^</sup></b>	<b>1,208</b>	<b>2,018</b>	<b>-40%</b>	<b>2,363</b>	<b>4,179</b>	<b>-43%</b>
<b>Group (Excluding PLife REIT)</b>	<b>4,300,420</b>	<b>4,233,317</b>	<b>2%</b>	<b>8,424,004</b>	<b>8,141,151</b>	<b>3%</b>
PLife REIT total revenue	92,944	91,281	2%	187,654	182,715	3%
Less: PLife REIT inter-segment revenue	(56,229)	(54,328)	-3%	(111,465)	(107,815)	-3%
<b>PLife REIT</b>	<b>36,715</b>	<b>36,953</b>	<b>-1%</b>	<b>76,189</b>	<b>74,900</b>	<b>2%</b>
	<b>4,337,135</b>	<b>4,270,270</b>	<b>2%</b>	<b>8,500,193</b>	<b>8,216,051</b>	<b>3%</b>
Adjustment for hyperinflationary economies <sup>4</sup>	36,435	-	-	36,435	-	-
<b>Group</b>	<b>4,373,570</b>	<b>4,270,271</b>	<b>2%</b>	<b>8,536,628</b>	<b>8,216,051</b>	<b>4%</b>
<b><u>EBITDA</u><sup>2</sup></b>						
Singapore	408,346	431,142	-5%	804,030	845,392	-5%
Malaysia	223,062	185,466	20%	416,637	336,132	24%
India	167,402	187,160	-11%	301,559	303,042	0%
Greater China	(22,061)	(13,818)	-60%	(40,337)	(50,080)	19%
Turkey and Europe	231,599	300,574	-23%	500,746	580,385	-14%
Southeast Asia	(44)	(103)	57%	(283)	(193)	-47%
<b>Hospital and Healthcare</b>	<b>1,008,304</b>	<b>1,090,421</b>	<b>-8%</b>	<b>1,982,352</b>	<b>2,014,678</b>	<b>-2%</b>
<b>IMU Health</b>	<b>27,947</b>	<b>22,339</b>	<b>25%</b>	<b>49,864</b>	<b>44,753</b>	<b>11%</b>
<b>Others<sup>^</sup></b>	<b>(40,523)</b>	<b>(22,871)</b>	<b>-77%</b>	<b>(57,331)</b>	<b>(44,230)</b>	<b>-30%</b>
<b>Group (Excluding PLife REIT)</b>	<b>995,728</b>	<b>1,089,889</b>	<b>-9%</b>	<b>1,974,885</b>	<b>2,015,201</b>	<b>-2%</b>
<b>PLife REIT</b>	<b>71,768</b>	<b>73,345</b>	<b>-2%</b>	<b>144,571</b>	<b>162,394</b>	<b>-11%</b>
<b>Eliminations<sup>3</sup></b>	<b>(52,418)</b>	<b>(54,582)</b>	<b>4%</b>	<b>(107,908)</b>	<b>(108,315)</b>	<b>0%</b>
	<b>1,015,078</b>	<b>1,108,652</b>	<b>-8%</b>	<b>2,011,548</b>	<b>2,069,280</b>	<b>-3%</b>
Adjustment for hyperinflationary economies <sup>4</sup>	(36,111)	-	-	(36,111)	-	-
<b>Group</b>	<b>978,967</b>	<b>1,108,652</b>	<b>-12%</b>	<b>1,975,437</b>	<b>2,069,280</b>	<b>-5%</b>

<sup>1</sup>: Relates to external revenue only

<sup>2</sup>: Relates to the EBITDA performance of each strategic business units, after elimination of dividend income from within the Group

<sup>3</sup>: Relates to the elimination of inter-segment income and expenses

<sup>4</sup>: Arises from the application of MFRS 129

<sup>^</sup>: "Others" comprise mainly corporate office as well as other investment holding entities

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

**Q2 2022 vs Q2 2021**

The Group's Q2 2022 revenue increased by 2% over Q2 2021 while its Q2 2022 EBITDA decreased 12%. Excluding effects of MFRS 129, the Group's Q2 2022 revenue increased by 2% over Q2 2021 while its Q2 2022 EBITDA decreased 8%.

The decrease in EBITDA was mainly due to decline in COVID-19 related services rendered, higher other operating expenses and a debit adjustment of RM36.1 million in Q2 2022 relating to the application of MFRS 129.

The Group's Q2 2022 PATMI excluding exceptional items ("PATMI (Excl EI)") decreased 32% to RM317.5 million mainly due to lower EBITDA, and debit adjustment of RM130.3 million in Q2 2022 relating to the application of MFRS 129 which mainly resulted from higher depreciation and amortisation.. It is offset by lower net finance costs and higher net exchange gains.

***Hospital and Healthcare***

Hospital and Healthcare's Q2 2022 revenue increased 1% to RM4,230.2 million whilst its Q2 2022 EBITDA decreased 8% to RM1,008.3 million. The growth in revenue was mainly due to the recovery from core non-COVID-19 revenues as both local and foreign patients returned to seek treatment at the Group's hospitals. The continuous ramp-up of operations at GHK Hospital and acquisition of Bel Medic on 20 July 2021 also contributed to the increase. These were partially offset by the lower contribution from COVID-19 related-services rendered in Q2 2022, as well as the effects from the disposal of Continental Hospitals on 14 December 2021 and temporary closure of all clinics in China during April and May 2022 imposed as a result of spike in COVID-19 cases in Shanghai. The weakening TL also eroded the revenue and EBITDA growth of the Group's operations in Turkey.

The Group continued to be in collaboration with the public healthcare sector of the countries it operates in to provide COVID-19 related services, albeit on a smaller scale as compared to Q2 2021.

Singapore hospital inpatient admissions decreased 1% to 15,693 in Q2 2022 while its revenue per inpatient admission increased 23% to RM47,578 with a case-mix of more acute patients seeking treatment at the Singapore hospitals. Malaysia hospital inpatient admissions increased 31% to 49,138 in Q2 2022 while its revenue per inpatient admission decreased 7% to RM9,588. Patients, including those with less acute illnesses, have returned to the Malaysia hospitals in Q2 2022 as compared to Q2 2021 when the Movement Control Order was in place in Malaysia. India hospital inpatient admissions increased 22% to 84,607 in Q2 2022 while its revenue per inpatient admission decreased 15% to RM8,035. This was despite the loss of patients from disposal of Continental Hospitals in December 2021. Turkey and Europe hospital inpatient admissions increased 11% to 59,252 in Q2 2022 while its revenue per inpatient admission increased 16% to RM8,494 with price adjustments to counter inflation.

Q2 2022 saw strong recovery of foreign patient volumes for Singapore and Malaysia as border controls were eased in the two countries.

The decrease in Hospital and Healthcare's Q2 2022 EBITDA was mainly due to decline in COVID-19 related services rendered and higher other operating expenses.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

***IMU Health***

IMU Health's Q2 2022 revenue increased 11% to RM69.0 million and its Q2 2022 EBITDA increased 25% to RM27.9 million. The increase in revenue was mainly due to higher student population, and revenue recognised over a shorter course period for certain programmes. This was offset by higher expenses as operations gradually resumed to post COVID-19 levels and there were more campus activities.

***PLife REIT***

PLife REIT's Q2 2022 external revenue was marginally lower than Q2 2021 while its EBITDA decreased 2%. The lower revenue was mainly attributed to depreciation of the Japanese Yen while EBITDA decreased due to higher professional fees incurred.

***Others***

Q2 2022 revenue decreased 40% to RM1.2 million mainly due to lower dividends received from investments in Money Market Funds ("MMF") following partial redemption made in December 2021 and full redemption in April 2022, and lower management fees from Gleneagles JPMC Sdn Bhd.

Q2 2022 EBITDA losses increased 77% mainly due to higher staff costs and other operating expenses, including professional fees, project costs, travel expenses and recruitment expenses.

**YTD 2022 vs YTD 2021**

The Group's YTD 2022 revenue increased by 4% over YTD 2021 while its YTD 2022 EBITDA decreased 5%. Excluding effects of MFRS 129, the Group's YTD 2022 revenue increased by 3% over YTD 2021 while its YTD 2022 EBITDA decreased 3%.

The decrease in EBITDA was mainly due to decline in COVID-19 related services rendered, higher other operating expenses and a debit adjustment of RM36.1 million in YTD 2022 relating to the application of MFRS 129.

The Group's YTD 2022 PATMI (Excl EI) decreased 9% to RM724.9 million mainly due to lower EBITDA, and a debit adjustment of RM130.3 million relating to the application of MFRS 129 in YTD 2022 which mainly resulted from higher depreciation and amortisation. It is offset by lower net finance costs and higher net exchange gains.

***Hospital and Healthcare***

Hospital and Healthcare's YTD 2022 revenue increased 3% to RM8,290.5 million while its YTD 2022 EBITDA decreased 2% to RM1,982.4 million. YTD 2022 revenue was higher as compared to last year across most regions.

The growth in revenue was mainly due to the recovery of core non-COVID-19 revenues as both local and foreign patients returned to seek treatment at the Group's hospitals. The continuous ramp-up of operations at GHK Hospital, as well as the acquisitions of DDRC SRL on 5 April 2021, and Bel Medic on 20 July 2021 also contributed to the increase. These were partially offset by the lower contribution from COVID-19 related-services rendered in YTD 2022, as well as the effects from the disposal of Continental Hospitals on 14 December 2021 and temporary closure of all clinics in China between March and May 2022 imposed as a result of spike in COVID-19 cases in Shanghai. The weakening TL also eroded the revenue and EBITDA growth of the Group's operations in Turkey.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

The Group continued to be in collaboration with the public healthcare sector of the countries it operates in to provide COVID-19 related services, albeit on a smaller scale as compared to YTD 2021.

Singapore hospital inpatient admissions decreased 3% to 31,545 in YTD 2022 as beds were allocated to COVID-19 patients in YTD 2021, while its revenue per inpatient admission increased 22% to RM45,736 with a case-mix of more acute patients seeking treatment at the Singapore hospitals. Malaysia hospital inpatient admissions increased 25% to 90,809 in YTD 2022 while its revenue per inpatient admission decreased 5% to RM9,676. Patients, including those with less acute illnesses, have returned to the Malaysia hospitals in YTD 2022 as compared to YTD 2021 when the Movement Control Order was in place in Malaysia. India hospital inpatient admissions increased 6% to 160,220 in YTD 2022 while its revenue per inpatient admission decreased 3% to RM8,017. Turkey and Europe hospital inpatient admissions increased 11% to 116,795 in YTD 2022 while its revenue per inpatient admission increased 18% to RM8,461 with price adjustments to counter inflation.

Strong recovery of foreign patient volumes was observed since April 2022 for Singapore and Malaysia as border controls were eased in the two countries.

The decrease Hospital and Healthcare's YTD 2022 EBITDA was mainly due to decline in COVID-19 related services rendered and higher other operating expenses.

***IMU Health***

IMU Health's YTD 2022 revenue increased 7% to RM131.1 million and its YTD 2022 EBITDA increased 11% to RM49.9 million. The increase in revenue was mainly due to higher student population, and revenue recognised over a shorter course period for certain programmes. This was offset by higher expenses as operations gradually resumed to post COVID-19 levels and there were more campus activities.

***PLife REIT***

PLife REIT's YTD 2022 external revenue was 2% higher than YTD 2021 while its EBITDA decreased 11%. The higher revenue was contributed by three nursing homes acquired in July and December 2021, partially offset by the divestment of P-Life Matsudo on 29 January 2021 and depreciation of the Japanese Yen. The lower EBITDA was due to higher professional fees incurred and a higher base in YTD 2021 with RM15.7 million gain recorded on divestment of P-Life Matsudo.

***Others***

YTD 2022 revenue dropped 43% to RM2.4 million due to lower dividends received from investments in MMF following partial redemption made in December 2021 and full redemption in April 2022. In addition, there was lower management fee income from Gleneagles JPMC Sdn Bhd.

YTD 2022 EBITDA losses increased 30% mainly due to higher other operating expenses, including professional fees, project costs, travel expenses and recruitment expenses.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

**B2 MATERIAL CHANGE IN QUARTERLY RESULTS**

	2nd quarter ended 30 Jun 2022 RM'000	1st quarter ended 31 Mar 2022 RM'000	Variance %
<b><u>REVENUE</u><sup>1</sup></b>			
Singapore	1,271,881	1,250,493	2%
Malaysia	759,854	704,594	8%
India	953,741	870,169	10%
Greater China	226,241	220,664	3%
Turkey and Europe	1,018,528	1,014,333	0%
<b>Hospital and Healthcare</b>	<b>4,230,245</b>	<b>4,060,253</b>	<b>4%</b>
<b>IMU Health</b>	<b>68,967</b>	<b>62,176</b>	<b>11%</b>
<b>Others<sup>^</sup></b>	<b>1,208</b>	<b>1,155</b>	<b>5%</b>
<b>Group (Excluding PLife REIT)</b>	<b>4,300,420</b>	<b>4,123,584</b>	<b>4%</b>
PLife REIT total revenue	92,944	94,710	-2%
Less: PLife REIT inter-segment revenue	(56,229)	(55,236)	-2%
<b>PLife REIT</b>	<b>36,715</b>	<b>39,474</b>	<b>-7%</b>
	<b>4,337,135</b>	<b>4,163,058</b>	<b>4%</b>
Adjustment for hyperinflationary economies <sup>4</sup>	36,435	-	-
<b>Group</b>	<b>4,373,570</b>	<b>4,163,058</b>	<b>5%</b>
<b><u>EBITDA</u><sup>2</sup></b>			
Singapore	408,346	395,684	3%
Malaysia	223,062	193,575	15%
India	167,402	134,157	25%
Greater China	(22,061)	(18,276)	-21%
Turkey and Europe	231,599	269,147	-14%
Southeast Asia	(44)	(239)	82%
<b>Hospital and Healthcare</b>	<b>1,008,304</b>	<b>974,048</b>	<b>4%</b>
<b>IMU Health</b>	<b>27,947</b>	<b>21,917</b>	<b>28%</b>
<b>Others<sup>^</sup></b>	<b>(40,523)</b>	<b>(16,808)</b>	<b>-141%</b>
<b>Group (Excluding PLife REIT)</b>	<b>995,728</b>	<b>979,157</b>	<b>2%</b>
<b>PLife REIT</b>	<b>71,768</b>	<b>72,803</b>	<b>-1%</b>
<b>Eliminations<sup>3</sup></b>	<b>(52,418)</b>	<b>(55,490)</b>	<b>6%</b>
	<b>1,015,078</b>	<b>996,470</b>	<b>2%</b>
Adjustment for hyperinflationary economies <sup>4</sup>	(36,111)	-	-
<b>Group</b>	<b>978,967</b>	<b>996,470</b>	<b>-2%</b>

<sup>1</sup>: Relates to external revenue only

<sup>2</sup>: Relates to the EBITDA performance of each strategic business units, after elimination of dividend income from within the Group

<sup>3</sup>: Relates to the elimination of inter-segment income and expenses

<sup>4</sup>: Arises from the application of MFRS 129

<sup>^</sup>: "Others" comprise mainly corporate office as well as other investment holding entities



**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

**Q2 2022 vs Q1 2022**

The Group recorded a 5% quarter-on-quarter increase in revenue while EBITDA decreased 2% quarter-on-quarter. Excluding effects of MFRS 129, recorded a 4% quarter-on-quarter increase in revenue and 2% quarter-on-quarter increase in EBITDA.

EBITDA decreased quarter-on-quarter on the back of decline in COVID-19 related services rendered, higher other operating expenses and a debit adjustment of RM36.1 million in Q2 2022 relating to the application of MFRS 129.

The Group's PATMI (Excl EI) decreased 22% quarter-on-quarter due to a lower EBITDA, and a debit adjustment of RM130.3 million in Q2 2022 relating to the application of MFRS 129 which mainly resulted from higher depreciation and amortisation. It was offset by lower net finance cost and higher exchange gains.

***Hospital and Healthcare***

Hospital and Healthcare's revenue and EBITDA both increased 4% quarter-on-quarter.

While contribution from COVID-19 related services declined quarter-on-quarter, the impact was compensated for by the strong recovery of core non-COVID-19 revenues as both local and foreign patients returned to seek treatment at the Group's hospitals.

Since April 2022, the Group observed significant return of foreign patients in both Singapore and Malaysia, as both countries started opening their borders to international travelers.

Singapore hospital inpatient admissions decreased 1% quarter-on-quarter, while its revenue per inpatient admission increased 8%. Malaysia hospital inpatient admissions increased 18% quarter-on-quarter, while its revenue per inpatient admission decreased 2%. India hospital inpatient admissions increased 12% quarter-on-quarter, while its revenue per inpatient admission was flat quarter-on-quarter. Turkey and Europe hospital inpatient admissions increased 3% quarter-on-quarter while its revenue per inpatient increased 1%.

EBITDA grew quarter-on-quarter on the back of a stronger revenue, offset by higher other operating expenses.

***IMU Health***

IMU Health's revenue increased 11% quarter-on-quarter due to new student intakes in February 2022. This was partially offset by the effects of timing of academic calendar for certain programmes in Q2 2022.

EBITDA increased 28% quarter-on-quarter as a result of higher revenue in Q2 2022, partially offset by higher expenses as operations gradually resumed to post COVID-19 levels and there were more campus activities.

***PLife REIT***

PLife REIT's external revenue was 7% lower quarter-on-quarter due to depreciation of the Japanese Yen while its EBITDA was marginally lower quarter-on-quarter.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

*Others*

Q2 2022 revenue was 5% higher quarter-on-quarter while Q2 2022 EBITDA losses increased 141% quarter-on-quarter as a result of higher staff costs and higher other operating expenses, including professional fees, project costs and travel expenses.

**B3 CURRENT YEAR FINANCIAL PROSPECTS**

As borders reopen and with the relaxation of Covid-19 restrictions, the Group has seen growing demand for elective procedures as well as an increase in local and foreign patient volumes to its hospitals, thus mitigating the effects of lower revenues from Covid-19 related services, which has largely dissipated. The Group expects Q2 to be the point of inflexion as the core business from hospital and healthcare services resumes growth.

However, most costs are expected to increase with global rising inflation. In particular, the talent crunch in the available pool of nursing staff has led to increased pressure on salary costs across all our markets. Higher energy prices have also added to the Group's cost of operations. The Group will maintain a tight rein on costs and leverage synergies from its international network to achieve cost savings. The Group expects its net finance cost to increase with the repayment of its perpetual securities (an equity instrument) from existing cash balances and loans drawdown, and a rising interest rate environment.

Notwithstanding that the Group is managing the effects of rising inflation on its operations, Turkey is classified as a hyperinflationary economy under MFRS 129. The Group has applied MFRS 129 to its Turkish operations when reporting its financial performance from this quarter onwards.

As the Group pivots its strategy towards growth, it continues to seek opportunities to acquire strategic assets. It will also focus on improving its returns on equity by constantly reviewing its asset portfolio. In addition, the Group is building distinct platforms where it sees strong growth potential, such as its laboratory businesses.

The Group is rolling out its digital transformation initiatives to innovate and digitalise more of its operations.

Whilst the Group is optimistic of the firm recovery in its core business, it expects some short-term challenges from the global inflationary trend and rising interest rates. However, with the Group's strong financial position and cash flow, operational resilience and continued focus on delivering its strategy, the Group is confident that it will be able to ride out the short-term headwinds and deliver long-term sustainable growth for all stakeholders.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA’S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

**B4 PROFIT FORECAST/GUARANTEE**

Not applicable as no profit forecast/guarantee was issued.

**B5 TAXATION**

	2nd quarter ended		Financial period ended	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	RM'000	RM'000	RM'000	RM'000
Current tax expense	168,722	143,828	300,594	246,506
Deferred tax (credit)/expense	(24,582)	(21,449)	(105,366)	29,483
	144,140	122,379	195,228	275,989

Q2 2022 and YTD 2022 effective tax rates\* were 16.6% and 13.2% respectively. Excluding the effects of MFRS 129, Q2 2022 and YTD 2022 effective tax rates\* were 3.4% and 5.7% respectively. These were lower than the Malaysia statutory tax rate as a result of Acibadem Holding’s recognition of RM252.6 million deferred tax assets relating to the effect of prior period’s indexation of property, plant and equipment in the local tax books in current period, as allowed by the Turkey government to cushion the effects of higher inflation, as well as investment incentives granted by the Turkey government which increased when the underlying investments was being indexed. Excluding these deferred tax assets recognised, Q2 2022 and YTD 2022 effective tax rates\* would be 25.2% and 25.1% respectively.

Q2 2021 and YTD 2021 effective tax rates\* were 18.6% and 22.5% respectively. These were also lower than the Malaysia statutory tax rate to certain non-taxable income and non-tax deductible expenses (refer to page 3 for list of exceptional items).

\* Effective tax rate, after adjusting for the Group’s share of profits of associates and joint ventures

**B6 STATUS OF CORPORATE PROPOSALS**

Save as disclosed below, there were no other corporate proposals announced but not completed as at 25 August 2022:

1. Proposed subscription of 235,294,117 new equity shares of face value of Indian Rupee (“INR”) 10 each (“Fortis Shares”) in Fortis Healthcare Limited (“Fortis”) through preferential allotment by Fortis to an indirect wholly-owned subsidiary of IHH, Northern TK Venture Pte Ltd (“NTK” or the “Acquirer”) (“Proposed Subscription”);

Mandatory Open Offer for acquisition of up to 197,025,660 Fortis Shares representing additional 26% of the Expanded Voting Share Capital (as defined herein) of Fortis by the Acquirer (“Fortis Open Offer”); and

Mandatory Open Offer for acquisition of up to 4,894,308 fully paid up equity shares of face value of INR10 each, representing 26% of the fully diluted voting equity share capital of Fortis Malar Hospitals Limited (“Malar”) by the Acquirer (“Malar Open Offer”).

On 13 July 2018, pursuant to a board resolution passed by the Board of Directors of Fortis, NTK, as subscriber, entered into a share subscription agreement (“Fortis SSA”) with Fortis, as issuer, where NTK has agreed to subscribe 235,294,117 new equity shares of Fortis with a face value of INR10 each (“Subscription Shares”), constituting approximately 31.17% of the total voting equity share

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

capital of Fortis on a fully diluted basis ("Expanded Voting Share Capital") for a total consideration of INR4,000 crore and Fortis has agreed to issue and allot the Subscription Shares by way of preferential allotment in accordance with the terms of the Fortis SSA ("Proposed Subscription"). The Proposed Subscription was completed in accordance with the terms of the Fortis SSA on 13 November 2018 and NTK has become the controlling shareholder of Fortis.

As a consequence of the Proposed Subscription, NTK was required to carry out the following:

- (i) A mandatory open offer for acquisition of up to 197,025,660 equity shares of face value of INR10 each in Fortis, representing additional 26% of the Expanded Voting Share Capital of Fortis, at a price of not less than INR170 per share ("Fortis Open Offer") or such higher price as required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI (SAST) Regulations").

On 13 July 2018, NTK, together with IHH and Parkway Pantai Limited, in the capacity as the persons acting in concert with NTK (collectively, the "PACs"), pursuant to the terms of Regulations 3(1) and 4 read with Regulation 15(1) of the SEBI (SAST) Regulations, have made the Fortis Open Offer by filing of the public announcement dated 13 July 2018 ("Fortis Public Announcement") to all the shareholders of Fortis who are eligible to tender their shares in the Fortis Open Offer, excluding NTK and the PACs and persons deemed to be acting in concert with NTK and the PACs. Save and except for the PACs, no other person is acting in concert with NTK for the purpose of the Fortis Open Offer at the time of the Fortis Public Announcement being released.

- (ii) In light of the acquisition of the controlling stake of Fortis, a mandatory open offer for acquisition of up to 4,894,308 fully paid up equity shares of face value of INR10 each in Malar, representing 26% of the paid-up equity shares of Malar at a price of INR58 per share ("Malar Open Offer"). The Malar Open Offer is subject to the completion of the Fortis Open Offer.

On 13 July 2018, NTK together with the PACs pursuant to the terms of Regulations 3(1), 4 and 5(1) read with Regulations 13(2)(e) and 15(1) of the SEBI (SAST) Regulations, have made the Malar Open Offer by filing of the public announcement dated 13 July 2018 ("Malar Public Announcement") to all the public shareholders of Malar excluding the promoter and promoter group of Malar, NTK and the PACs and persons deemed to be acting in concert with NTK and the PACs. Save and except for the PACs, no other person is acting in concert with NTK for the purpose of the Malar Open Offer at the time of the Malar Public Announcement being released.

On 14 December 2018, the Supreme Court of India passed an order in the matter of "Mr Vinay Prakash Singh v. Sameer Gehlaut & Ors." [Contempt Petition (Civil) No. 2120 of 2018] ("Original Contempt Petition"), directing "status quo with regard to sale of the controlling stake in Fortis to Malaysian IHH Healthcare Berhad be maintained" ("Order"). Pursuant thereto, decision was taken not to proceed with Open Offer.

Vide its judgment dated 15 November 2019 ("Judgment"), the Supreme Court of India issued suo-moto contempt notice to, among others, Fortis, and directed its Registry to register a fresh contempt petition in regard to alleged violation of the Order. In this respect, the Supreme Court sought an enquiry into:

- (i) Whether the subscription by NTK for the Shares of Fortis was undertaken after the Order, and accordingly if such subscription was in violation of the Order; and
- (ii) The consummation of the acquisition of healthcare assets from RHT Health Trust by Fortis.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

On 5 March 2020, Fortis has filed a detailed reply to the Suo-Moto Contempt, praying inter alia, that the Suo Moto Contempt proceedings be dropped and Order be modified/vacated such that the open offers may proceed.

Since the issuance of the Judgment, several parties have, inter alia, filed applications before the Supreme Court, for seeking various remedies, which are briefly enumerated below (where relevant to IHH or Fortis):

- a) Anshuman Khanna, a minority shareholder of Fortis ("Minority Shareholder") has sought resumption of the Fortis Open Offer but has asked that IHH to pay interest at 10% (ten percent) to the public shareholders of Fortis who are eligible to tender shares in the Fortis Open Offer due to the delay since IHH is earning interest on the 100% of the consideration payable under the Fortis Open Offer that has deposited in the escrow account.
- b) Daiichi Sankyo Co. Ltd ("Daiichi") has sought permission to implead itself in the Suo Moto Contempt and present its case stating that its rights are impacted by orders that may be passed in the Fortis Contempt Petition.
- c) SEBI has sought resumption of the Fortis Open Offer citing larger public interest at stake.

On 5 March 2020, NTK has through its legal counsel, filed applications to intervene in the aforementioned Supreme Court Proceedings, as follows:

- (i) intervention applications in the Original Contempt Petition and the Fortis Contempt Petition, respectively, and to enable NTK to be heard in the Supreme Court Proceedings before any further orders are passed by the Supreme Court; and
- (ii) an application to vacate the Order that continues to stay the Fortis Open Offer so as to be able to consummate the Fortis Open Offer; and support SEBI's ask of resuming the same.

On 14 August 2020 Fortis has submitted an application to the Supreme Court of India seeking approval to undertake a change in the company name, brand and logo for Fortis and its subsidiaries ("Fortis Rebranding Application").

The Fortis Contempt Petition, the Order, the Original Contempt, the Suo-Moto Contempt, the Judgement and the applications filed by the Minority Shareholder, Daiichi and SEBI, and the Fortis Rebranding Application, respectively, are collectively referred to as "Supreme Court Proceedings".

Fortis has filed an additional affidavit responding to the queries put forth by Supreme Court.

In light of the Judgement, the Fortis Open Offer as well the Malar Open Offer (which is subject to the completion of the Fortis Open Offer) will not proceed for the time being.

Hearings in the Supreme Court Proceedings have concluded on 12 May 2021 and the judgement is now reserved.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

2. Proposed renewal of authority for the Company to purchase its own shares of up to ten percent (10%) of the prevailing total number of issued shares of the Company ("Proposed Renewal of Share Buy-Back Authority")

On 29 March 2022, the Company announced the proposal to seek from its shareholders, at its forthcoming Twelfth Annual General Meeting to be held on 31 May 2022 ("Twelfth AGM"), the authority to purchase its own shares of up to ten percent (10%) of the prevailing total number of issued shares of the Company at the point of purchase through stockbroker(s) to be appointed by the Company at a later date.

A statement containing the details of the Proposed Renewal of Share Buy-Back Authority has been published on the website of the Company on 29 April 2022 together with the Annual Report 2021 of the Company. The Proposed Renewal of Share Buy-Back Authority has been approved by the Company's shareholders at the Twelfth AGM.

3. Proposed disposal of the entire issued ordinary share capital of IMU Health Sdn Bhd ("IMUH"), by IHH to Inbound Education Holdings Sdn Bhd ("IEHSB") ("Proposed Disposal of IMU"); and proposed disposal of the entire issued share capital of IMU Omega ("Hospital HoldCo"), by IMUH to Columbia Asia Sdn Bhd ("CASB") ("Proposed Facility Disposal") (collectively the "Proposed Disposals"), for a cash consideration to be determined based on a total enterprise value of RM1,345 million

IHH and IEHSB had on 7 June 2022 entered into a conditional share sale agreement ("IMU SSA") whereby IHH will dispose 1,140,032 ordinary shares in IMUH representing the entire issued ordinary share capital of IMUH to IEHSB.

In conjunction with the Proposed Disposal of IMU, IHH will also dispose of a hospital that is still under construction situated on the land bearing title particulars GRN 46835, Lot 38387, Mukim Petaling, Daerah Kuala Lumpur ("Facility") together with the assets and liabilities of the Facility ("Facility Business"), which are currently owned by its indirect wholly-owned subsidiary, IMU Education Sdn Bhd ("IMU Education") to CASB. IHH will execute various internal restructuring steps ("Proposed Restructuring") within IMU Group to facilitate the Proposed Facility Disposal.

The Proposed Disposal of IMU, Proposed Facility Disposal and Proposed Restructuring (collectively "Proposed Transactions") are not subject to IHH shareholders' approval but are subject to approvals from various regulatory bodies.

To facilitate the Proposed Restructuring, IMU Education and IMU Omega had entered into an asset purchase agreement ("Facility APA") in respect of the Facility Business on 27 June 2022. On 27 July 2022, IMUH, IHH and CASB had entered into a conditional share sale agreement for the disposal of the entire issued share capital of IMU Omega by IMUH to CASB ("Facility SSA") pursuant to the Proposed Facility Disposal.

Please refer to IHH's announcements dated 7 June 2022, 27 June 2022, 21 July 2022, 27 July 2022 and 5 August 2022 for further details of the Proposed Transactions.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

**B7 OTHER MATTERS**

On 16 June 2020, Emqore Envesecure Private Capital Trust ("Emqore") filed a suit against, among others, IHH. IHH was served on 26 July 2021 with Emqore's original complaint and Emqore's Motion to Amend its original complaint ("Motion to Amend"). The Motion to Amend was pending adjudication before the United States Federal District Court for the District of New Jersey ("US District Court") until 30 November 2021 when Emqore's amended complaint was allowed at the US District Court ("Amended Complaint"). Emqore subsequently filed its Amended Complaint on 3 December 2021. The Amended Complaint is now an operative pleading.

Pursuant to the Amended Complaint, Emqore is seeking for, among others, damages in excess of USD 6.5 billion comprising compensatory damages plus treble damages and attorneys' fees pursuant to the U.S. Racketeer, Influenced and Corrupt Organizations Act, against 28 named defendants and 20 non-party defendants.

Emqore's claim against IHH essentially arises from and/or relates to allegations relating to the issuance of the shares of Fortis Healthcare Ltd. ("Fortis") to IHH's subsidiary in/or around 2018. Emqore broadly alleges that it has purportedly suffered losses as the defendants had allegedly conspired to frustrate a proposed share acquisition transaction between Fortis and Emqore's supposed predecessors.

On 28 January 2022, IHH has filed a motion to dismiss Emqore's Amended Complaint for lack of personal jurisdiction, failure to state a claim, and the forum non conveniens and international abstention doctrines ("Motion to Dismiss").

On 5 April 2022, IHH has filed a reply brief to respond to Emqore's memorandum in opposition dated 7 March 2022 and in support of its Motion to Dismiss.

Based on opinions from the Group's external legal counsel, the Group is of the view that it has strong grounds for seeking dismissal of Emqore's claims and intends to defend vigorously against the claims. The outcome of the proceedings in the US District Court cannot be predicted at this juncture and the financial impact, if any, to the Group will be recognised in the period the outcome is known.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

**B8 LOANS, BORROWINGS AND OVERDRAFTS**

(a) Breakdown of the Group's loans, borrowings and overdrafts:

	<b>30 Jun 2022</b>	<b>31 Dec 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current</b>		
Secured		
Bank loans	1,054,955	1,079,929
Loans from corporates	2,381	2,221
Unsecured		
Bank loans	4,434,527	5,162,308
Fixed rate medium term notes	221,775	431,713
Loans from corporates*	964,602	933,320
	<u>6,678,240</u>	<u>7,609,491</u>
<b>Current</b>		
Secured		
Bank overdrafts	54,826	24,229
Bank loans	195,609	179,823
Loans from corporates	1,248	1,008
Unsecured		
Bank loans	795,073	1,055,928
Fixed rate medium term notes	163,191	-
Loans from corporates	704	668
	<u>1,210,651</u>	<u>1,261,656</u>
Total	<u>7,888,891</u>	<u>8,871,147</u>

\* Includes loans from non-controlling interests of RM900,754,000 (2021: RM869,305,000)

Breakdown of the Group's loans, borrowings and overdrafts by the source currency of loans, in RM equivalent:

	<b>30 Jun 2022</b>	<b>31 Dec 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Hong Kong Dollar	2,858,008	2,689,200
Japanese Yen	1,669,465	2,027,290
Euro	810,112	977,658
Singapore Dollar	775,686	1,546,758
Indian Rupees	705,313	712,460
Renminbi	561,379	512,686
Turkish Lira	285,587	47,499
Ringgit Malaysia	205,000	338,025
Macedonian Denar	16,956	18,257
Others	1,385	1,314
	<u>7,888,891</u>	<u>8,871,147</u>



**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

**B9 FINANCIAL DERIVATIVE INSTRUMENTS**

The Group's outstanding net derivative financial instruments as at 30 June 2022:

	<b>Notional amount as at 30 Jun 2022 RM'000</b>	<b>Fair value amount as at 30 Jun 2022 RM'000</b>
<b>Derivative assets</b>		
Foreign exchange forward contracts		
- Within 1 year	1,730,006	58,911
- Between 1 - 3 years	194,396	27,134
- More than 3 years	30,794	9,815
	<hr/>	<hr/>
	1,955,196	95,860
Interest rate caps		
- Between 1 - 3 years	382,929	887
- More than 3 years	749,415	4,223
	<hr/>	<hr/>
	1,132,344	5,110
Cross currency interest rate swaps		
- More than 3 years	260,003	56,696
Cross currency swaps		
- Within 1 year	103,562	146,090
- Between 1 - 3 years	156,233	213,430
	<hr/>	<hr/>
	259,795	359,520
	<hr/>	<hr/>
	3,607,338	517,186
<b>Derivative liabilities</b>		
Interest rate swaps		
- Between 1 - 3 years	143,639	(73)
Call option granted to non-controlling interests		
- Within 1 year	28,120	-
	<hr/>	<hr/>
	171,759	(73)
	<hr/>	<hr/>

***Foreign exchange forward contracts***

Foreign exchange forward contracts are entered by the Group to hedge against exchange rate exposures on some balances denominated in currencies other than the functional currency of the entity that recognised the foreign currency balances. The fair value of foreign exchange forward contract is determined based on prevailing market rate.

***Interest rate caps***

Interest rate caps are entered by the Group to protect against an increase in interest rates beyond the pre-determined cap rate.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

***Cross currency interest rate swaps and cross currency swaps***

Cross currency interest rate swaps and cross currency swaps are entered by the Group to hedge the interest rate fluctuations on the floating rate borrowings, and to realign certain borrowings to the same currency of the Group's foreign investments to achieve a natural hedge. The fair values of cross currency interest rate swaps and cross currency swaps are determined based on bank quotes.

***Interest rate swaps***

Interest rate swaps are entered by the Group to hedge against interest rate fluctuations on some floating rate borrowings. The fair value of interest rate swaps is determined based on bank quotes.

***Call option granted to non-controlling interests***

Call option granted to non-controlling interests relates to a call option granted by the Group to non-controlling interests of Ravindranath GE Medical Associates Pte Ltd ("RGE") to purchase the Group's 3% interest in RGE on a fully diluted basis at a fixed price of INR500.0 million, pursuant to an option agreement entered with the non-controlling interests. The call option granted to non-controlling interests is classified as a derivative liability.

There are no changes to the Group's financial risk management policies and objectives in managing these derivative financial instruments and its related accounting policies. Refer to Section B14 for the fair value gain/loss recognised in the statement of profit or loss.

**B10 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES**

Other than as disclosed in Section A15 the Group does not remeasure its financial liabilities and derivatives at reporting date. The changes in fair value recognised through profit or loss are disclosed in Section B14.

**B11 MATERIAL LITIGATIONS**

Except as mentioned in Section A13, there were no other material changes in the contingent material litigations as at 25 August 2022 from that disclosed in the 2021 Audited Financial Statements.

**B12 DIVIDENDS**

No dividends were declared or paid by the Company during the period ended 30 June 2022.

For details of the dividends paid by the Company during the financial period ended 30 June 2022, please refer to Section A7.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

**B13 EARNINGS PER SHARE ("EPS")**

Basic earnings per share were calculated by dividing the Group's net profit attributable to shareholders less distribution to holders of the perpetual securities, by the weighted average number of ordinary shares in issue during the financial period.

	2nd quarter ended		Financial period ended	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	RM'000	RM'000	RM'000	RM'000
Basic and diluted earnings per share is based on:				
i) <u>Net profit attributable to ordinary shareholders</u>				
Profit after tax and non-controlling interests	612,104	483,306	1,105,363	858,927
Perpetual securities distribution accrued	(23,206)	(21,917)	(45,229)	(43,285)
	<u>588,898</u>	<u>461,389</u>	<u>1,060,134</u>	<u>815,642</u>
ii) <u>Net profit attributable to ordinary shareholders (excluding EI)</u>				
Profit after tax and non-controlling interests (excluding EI)	317,466	463,584	724,889	799,410
Perpetual securities distribution accrued	(23,206)	(21,917)	(45,229)	(43,285)
	<u>294,260</u>	<u>441,667</u>	<u>679,660</u>	<u>756,125</u>
<b>(a) Basic EPS</b>				
	'000	'000	'000	'000
Weighted average number of shares	<u>8,802,736</u>	<u>8,779,073</u>	<u>8,801,112</u>	<u>8,778,367</u>
	sen	sen	sen	sen
Basic EPS	6.69	5.26	12.05	9.29
Basic EPS (excluding EI)	<u>3.34</u>	<u>5.03</u>	<u>7.72</u>	<u>8.61</u>

**(b) Diluted earnings per share**

For diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares.

	2nd quarter ended		Financial period ended	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	'000	'000	'000	'000
Weighted average number of ordinary shares used in calculation of basic earnings per share	8,802,736	8,779,073	8,801,112	8,778,367
Weighted number of unissued ordinary shares from units under Long Term Incentive Plan	-	-	-	925
Weighted number of unissued ordinary shares from share options under EOS	<u>4,504</u>	<u>-</u>	<u>1,628</u>	<u>-</u>
Weighted average number of dilutive ordinary shares for computation of diluted EPS	<u>8,807,239</u>	<u>8,779,073</u>	<u>8,802,740</u>	<u>8,779,292</u>
	sen	sen	sen	sen
Diluted EPS	6.69	5.26	12.04	9.29
Diluted EPS (excluding EI)	<u>3.34</u>	<u>5.03</u>	<u>7.72</u>	<u>8.61</u>

For the 2nd quarter ended 30 June 2022, 3,339,000 (2021: 45,590,000) outstanding EOS options were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive. For the financial period ended 30 June 2022, no (2021: 45,590,000) outstanding EOS options were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

**B14 NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	2nd quarter ended		Financial period ended	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	RM'000	RM'000	RM'000	RM'000
Dividend income	16	645	63	1,288
Other operating income	79,707	78,606	169,507	151,528
Foreign exchange differences	24,325	799	22,357	4,527
Impairment loss (made)/written back:				
- Trade and other receivables	2,606	(46,273)	(6,861)	(61,450)
- Inventories	404	(224)	134	159
Write off:				
- Property, plant and equipment	(151)	(862)	(274)	(916)
- Trade and other receivables	(2,048)	(5,916)	(3,867)	(6,564)
- Inventories	(1,651)	(1,184)	(2,487)	(1,804)
Change in fair value of investment properties	(1,728)	-	(3,621)	-
Remeasurement to fair value of interest in a joint venture	-	85,768	-	85,768
Gain/(Loss) on disposal of property, plant and equipment	8,844	(38)	9,708	1,489
Gain on disposal of an investment property	-	118	-	15,722
Gain on disposal of a joint venture	-	139,053	-	139,053
Net monetary gain from hyperinflationary economies	295,542	-	295,542	-
Finance income				
Interest income	29,825	14,543	50,861	24,329
Fair value gain/(loss) on financial instruments	95,770	(1,504)	124,967	164,620
	125,595	13,039	175,828	188,949
Finance costs				
Interest on loans and borrowings	(63,308)	(66,715)	(117,360)	(162,453)
Interest on lease liabilities	(35,300)	(39,381)	(69,554)	(79,855)
Exchange loss on net borrowings	(64,801)	(58,724)	(94,388)	(157,928)
Fair value loss on financial instruments	(520)	(252)	(1,305)	-
Other finance costs	(21,256)	(7,643)	(29,142)	(16,698)
	(185,185)	(172,715)	(311,749)	(416,934)